

ALABAMA MEDICAID AGENCY
Medical Care Advisory Committee Meeting
Wednesday, March 26, 2008

Commissioner Carol Steckel called the meeting to order at approximately 1:30 p.m. in the Medicaid Boardroom.

Members Present

Carol Steckel, Alabama Medicaid Agency
Pattisue Carranza, Alabama Pharmacy Association (via teleconference)
Lawrence Gardella, Legal Services Corporation of Alabama
Louise Jones, Alabama Pharmacy Association
Cary Kuhlmann, Medical Association of the State of Alabama
Linda Lee, Academy of Pediatrics
Marsha Raulerson, MD, Medical Association
Tom Miller, MD, (Dr. Don Williamson) Alabama Department of Public Health
Richard Powers, MD, (John Houston) Alabama Department of Mental Health
Jim Carnes, Alabama Arise
Irene Collins, Alabama Department of Senior Services
John Matson (Louis Cottrell), Alabama Nursing Home Association
Joe Decker, Alabama Nurses Association
Tom Tucker (Mary Finch), Alabama Primary Health Care Association
Rosemary Blackmon (Mike Horsley), Alabama Hospital Association
A. Z. Holloway, MD, American Academy of Pediatrics
Holly Midgley, Alabama Academy of Family Physicians
Wanda Williams (Steve Shivers), Alabama Department of
Terrie Reid (Page Walley), Alabama Department of Human Resources

Members Absent

Jolene James
Roosevelt McCorvey, MD

J. A. Powell, MD
Wilburn Smith, Jr., MD

Others in Attendance

Mattie Jackson
Angela Williams
Kim Davis-Allen
Lee Maddox
Bill Butler
Marilyn Chappelle
Audrey Middleton
Gloria Wright

Kelli Littlejohn
Kathy Hall
Terry Bryant
Paul Brannan
Susan Jones
Robert Moon, MD
Kelli Waters

Opening Remarks

Commissioner Steckel expressed appreciation for those present and participating in the activities of the Agency. After the introductions, the meeting proceeded according to the printed agenda.

Budget Update:

Terry Bryant reported that the Agency budget request for FY09 is \$149.6m. This budget amount did not include three 2007 legislative mandated expansion programs funded for 2008 by the legislature but not for 2009: Orthotic and prosthetic, 505 waiver slots, and adult cough and cold over the counter medicine. Representative John Knight's budget includes the same. Negotiations are ongoing with CMS to convert from the PHP hospital payment system to the CPE methodology and to reconcile the 2006 CPEs that may result in a recoupment to CMS; hopefully the cost will come in at the expenditure amount. The Commissioner declared a state of emergency allowing the Agency to contract with Clifton Gunderson LLP without going through the RFP process. They will start work at the Agency Monday. The Commissioner stated that there will be a public hearing on the budget today and with the substitute bill expected to go in within the next week, hopefully Medicaid's budget will remain the same. The Agency is humble to received full funding in light of other agencies budget struggles.

Legislative Update:

Audrey Middleton said the legislature reconvened this week. The agency awaits Third Party Liability (TPL) legislation which is now on the Senate floor, the house version has already passed. Congress will recess on the April 31. Most witnesses testifying before a House panel April 3 voiced support for legislation that would place a moratorium on seven controversial Medicaid rules, saying the regulations would result in cuts to vital services for beneficiaries.

There is legislation in Congress that will have a dramatic impact all State Medicaid Programs. There is legislation that would place a moratorium on seven controversial Medicaid rules that would result in cuts to vital services. A moratorium is currently on 6 of 7 of the legislations, exception being legislation on Target Case management (TCM) which is in the Indian Health Bill. The Commissioner said there are 14 regulations of which 7 are major that would decimate Alabama's program by \$375m as well as other programs across the country. There is a move to continue the moratorium through the Indian Health Bill. To circumvent the problem, ADHR has implemented program changes to stall payments. TCM significantly affects other sister agencies too such as ADPH, ADSS, ADRS, ADMH/MR as well as ADHR. Kathy Hall said staff at Medicaid is meeting with other agencies on a continuous basis. Commissioner Collins said the regulations are affective March 3. In response to Dr. Raulerson's question about what programs would be affected; Kathy Hall named several programs, foster care, AIDS waiver, HCBS waivers, etc. Commissioner Steckel mentioned the possibility of lawsuits being filed and state other programs affected were School Base Services, GME regulations, Provider Tax, and Rehab Options. The national delegations are working to offset savings and the moratorium. Additionally, the National Association of Medicaid Directors (NASMD) and National Governor Association (NGA) are working to opposed and set moratorium on unit of government regulation, that's off the table until May 25, which changes or forces the states to define what a public entity versus a private entity is. Dennis Smith, at CMS, will not meet with these associations. The Bush Administration in his budget projections, regulations and savings do not want to wave the Pay Go rules.

Eligibility Update:

Gretel Felton updated the committee on Medicaid Income limits for 2008 for the various type programs to qualify for Medicaid, SSI eligibility, nursing home eligibility, home and community based waivers, qualified Medicare beneficiary eligibility, specified low income Medicare beneficiary, qualified individuals eligibility, SOBRA for pregnant women and children under 6 years of age at 133 percent of federal poverty level eligibility; SOBRA Medicaid for children ages 6 to 19 years of age at 100 percent of federal poverty level and Medicaid for low income families. She stated that the changes are because of the change in the federal poverty level. Additionally Ms. Felton updated the committee that Medicaid will not count the economic stimulus tax rebate as income. The Agency soon plans to test e-signatures for online applications. The e-signatures will be made available without advertising for one month, after which, a public announcement will be made. In response to a question about Citizenship and Identify statistics, Ms. Felton ran the numbers and handed out and explained the statistics from 2007 to committee members. Dr. Rauslerson asked if a recipient moves from another state could they receive retroactive eligibility in Alabama. Ms. Felton responded no.

TFQ Update:

Kim Davis Allen said the Agency was currently working on three components of Together For Quality (TFQ): 1) Sister Agency interoperability (link 2 systems electronically); 2) electronic clinical support tool (combining e-health records into a single source document – expected roll out date 6/08 and help will be needed with clinical rules testing and advertising); 3) care management (8 pilot counties test disease states diabetes and asthma – partnered with ADPH & a total of 50 physicians has already enrolled. Provider and recipient responses have been good. The Commissioner stated that there's a webcast each day at 5:00 p.m. so physicians can participate. Also, with the grant, talks have begun about utilizing funds to purchase BISTALK, an electronic tool that will overlay all HHS agencies. Wednesday, April 2 in Birmingham, CMS Acting Administrator Kerry Weems, will meet with community stakeholders about "Connecting to Better Health Care" an electronic health records technology tool. This is an excellent tool to be used in conjunction with TFQ and an opportunity for Medicaid to pull down Medicare funds. Stakeholder council meets Wednesday, April 9, information is on the website.

Maternity Care Program:

Dr. Robert Moon said that the agency is fine tuning how to improve the Maternity Care Program. Meetings are being held on a continuous basis. Some of the features being discussed are 1) districts' requirement to provide application assisters 2) new care coordination standards 3) quality improvement with quality measures implemented; 4) shared savings. An update will be given at the upcoming Physician Task Force Meeting, May 21. Current plans are to release the ITB May 19.

Patient 1st Update:

Gloria Wright

The Patient 1st Advisory Council meeting was held March 19; currently, there are no major issues. The provider profiler was discussed. The last release of the profiler was in January explaining the changes that were being made to the Patient 1st program. The new release will be released in April and any information regarding the profiler can be found on the Agency's website at www.medicaid.alabama.gov. An alert was sent to Patient 1st providers explaining the enrollment and roster changes due to the implementation of the new system. The

Commissioner mentioned that the Agency is excited about the opportunity to begin using the GPS system for patient assignments.

Pharmacy Update

Kelli Littlejohn reported that the pharmacy division is working on April updates. The Preferred Drug List (PDL) will be updated effective April 1, adding two drugs to the list, Lantus and Qvar. The Tamper Resistant Proof Pad (TRPP) rule will be effective April 1; must contain features that prevent unauthorized or fraudulent use. Some of these features include special ink that highlights erasures or changes, sequentially numbered forms, and special patterns or words that appear if the prescription is copied. Effective for prescriptions written on and after October 1, 2008, a non-prescription must contain all three characteristics. The policies and/or updates are available on the Agency's website at trp@medicaid.alabama.gov.

Another activity within the division is the Dispense as Written rule (DAW), it will become effective May 1. The provider must write on the prescription brand name medically necessary in his or her own handwriting. Also, the provider must complete a compliance form to override (DAW) documenting medical necessity for the brand rather than the available generic equivalent.

Commissioner Steckel stated that the reimbursement system for pharmacy is being redone. The Cost of Dispensing Survey RFP was awarded to HID. The RFP for State Maximum Acquisition Cost (SMAC) has been awarded to Myers & Stauffers. The division is also working on the reimbursement for pharmacy performances, ingredient cost/dispensing cost and the Share Savings program which will link the pharmacies to the PHPs. Louise Jones, Director of Alabama Pharmacy Association asked if the Agency will find funding for cough and cold medicines for adults. Commissioner reiterated that if the Agency gets full funding, cough and cold medicines will be taken off the alert list.

NEW SYSTEM UPDATE

Paul Brannan reported that the new system went live February 23, 2008. The Agency worked with EDS very diligently in preparing for the new implementation. A number of testing was done, four hundred independent testing at the Agency. EDS held sixty sessions, 7 locations throughout the state of training for providers, in addition to 20 training sessions held at the Agency. All the pay claims type went well, checkwrites went well, paid 70% the first month that is 80% on the last checkwrite paid over 70% of typical payments over a month. The April and May checkwrites should be normal. More alerts will be sent out in an effort to be proactive in handling problems. Additional staff/provider call system has increased, but there is still a long wait time.

There are two main issues that's keeping providers from being paid, 1) NPI numbers not enumerated, especially providers serving in different locations; Pharmacies not knowing NPI numbers (solution is to use legacy numbers or license numbers or Medicaid old ID); 2) Providers who use vendor, the vendors do not have NPI numbers. An Alert was submitted effective with the new implementation claims systems stating all providers must submit their National Provider Identifier (NPI) to process claims in a timely manner. Providers were encouraged to set up one-to-one relationships between their Alabama Medicaid Provider Number and their National Provider Identifier number to assist with the correct identification

of a Provider service location. Also a secondary identifier was requested but not required. EDS has provided more assistance with provider calls due to the high volume of calls. Mr. Brannan suggested that the provider use the website www.medicaid.alabama.gov if he or she is experiencing problems.

A contingency payment plan was implemented, providing providers who check amount is less than 70% of their average Medicaid payments for the six checkwrites before November 16, 2007 and ending February 8, 2008. They must fill out a form to receive contingency payment and meet certain requirements; thirty requests have been denied because they did not meet the requirements. Susan Jones is the contact person if you need help in submitting a request for contingency payments. In response to the Commissioners question about how much contingency payment have been paid, Susan said 214 payments with 30 requests denied - Terry Bryant stated the amount to be between \$4million and \$5 million dollars.

Committee Comments/Open Forum

Dr. Raulerson stated her vendor Medsys uses the web portal and has been having some problems with claims going through also some problems with the eligibility screen being disconnected before eligibility can be verified and then some screens the information is not accurate. Both Dr. Raulerson and Dr. Holloway states that the information is wiped from the screen once the system comes back up. Dr. Holloway states the same thing and I have spoken with other providers over the state who are experiencing the same problem. Paul Brannan explained that the screen will close if there is no activity in twenty minutes for security proposes. The Agency is reviewing the possibility of increasing the 20 minute downtime. Mr. Brannan will follow up on this issue. Dr. Holloway asked about the audit trail. Mr. Brannan explained this may be a CRS problem and I will research the problem. Dr. Raulerson stated that she is experiencing problems posting electronic. Mr. Brannan stated that the new provider manual is on the website if you need additional information at www.medicaid.alabama.gov. Also, Paul and Susan will remain after the meeting to assist with specific problems providers may be experiencing.

Dr. Holloway asked about the recoupement of the bundled services on Oxygen Therapy. Dr. Moon will work with Dr. Holloway regarding this issue.

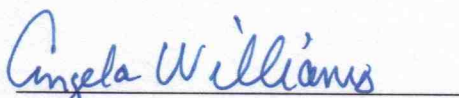
Closing Remarks

There being no further business to discuss, Commissioner Steckel thanked everyone for coming and adjourned the meeting at 3:45 p.m.

Respectfully submitted:



Carol H. Steckel, Commissioner



Angela Williams, Recorder

Attachment:

- Medicaid Income Limits for 2008
- Eligibility Requirements for Medicaid and for Pregnant Women and Children (SOBRA)
- Eligibility Requirements for Medicaid for Low Income Families
- How Does the Medicaid Agency count the tax rebate?
- Citizenship and Identity Termination Totals
- Citizenship and Identity Termination and Reactivations by County
- Alert –Tamper-Resistant Rx pads
- Medicaid Website – Tamper-Resistant Prescription Pads
- Alert –Preferred Drug List Update